

- WAYS AND MEANS COMMITTEE -

H.R. 4333, Technical Corrections Act of 1988, as ordered reported

Fiscal Years 1988-93
(Millions of Dollars)

Item	1988	1989	1990	1991	1988-91
I. TECHNICAL CORRECTIONS ACT OF 1988 (H.R. 4333)					
A. As introduced.....	-48	38	52	44	86
B. Amendments adopted in Markup.....	-5	-15	-16	-16	-52
Subtotals: TECHNICAL CORRECTIONS ACT OF 1988 (H.R. 4333).....	-53	23	36	28	34
II. WAYS AND MEANS SUBCOMMITTEE PROPOSALS					
A. Public Assistance Subcommittee: Extend the Foster Care moratorium (1).....	--	-36	-9	--	-45
B. Social Security Subcommittee: Make minor and technical benefit and tax adjustments to the Social Security Act (1).....	--	-27	-42	-24	-93
Subtotals: WAYS AND MEANS SUBCOMMITTEE PROPOSALS.....	--	-63	-51	-24	-138
III. PROPOSALS BY OTHER HOUSE COMMITTEES					
A. Interior Committee: Exempt earnings of, and distributions from, Enjebi Community Trust Fund (effective for all open taxable years).....	(2)	(2)	(2)	(2)	(3)
B. Merchant Marine Committee: Extend commencement date of Oil Spill Liability Trust Fund and tax on petroleum through 1990 (effective date of enactment).....	--	--	--	--	--
Subtotals: PROPOSALS BY OTHER HOUSE COMMITTEES.....	(2)	(2)	(2)	(2)	(3)
IV. TIME-SENSITIVE SIMPLIFICATION AND CLARIFICATION PROPOSALS					
A. Additional Technical Corrections.....	-5	-3	--	2	-6
B. Employee Benefits					
1. Revise sanction for violation of the COBRA health care continuation rules (effective for taxable years beginning after 1988).....	(4)	(4)	(4)	(4)	(3)
2. Simplify fringe benefit non-discrimination rules (section 89) (effective for years beginning after 1988).....	(2)	(2)	(2)	(2)	(3)
C. Eliminate gift tax liability on creation of spousal joint and survivor annuities (effective after December 31, 1981).....	(2)	(2)	(2)	(2)	(3)
D. Provisions affecting section 457: Codify IRS Notice 88-68; repeal section 457 for tax exempts; codify 1987 IRS Notice for State and local workers with permanent grandfather for current employees.....	--	-65	-46	-49	-160
Subtotals: TIME-SENSITIVE SIMPLIFICATION AND CLARIFICATION PROPOSALS.....	-5	-68	-46	-47	-166

V. EXTENSIONS

A.	Extend educational assistance through 1990 and deny benefit with respect to certain education leading to post-graduate degree for years beginning after 1988 with \$1,500 cap.....	-88	-292	-270	-81	-731
B.	Extend low-income housing credit through 1990.....	--	-26	-172	-345	-543
C.	Extend mortgage revenue bonds through 1990 with new program targeting (effective after December 31, 1988), as modified; accord transition relief from MRB recapture rule for certain contracts entered before June 23, 1988.....	--	-9	-64	-102	-175
D.	R & D provisions					
1.	Extend R & D credit through 1990.....	--	-401	-816	-366	-1,583
2.	Reduce section 174 R&D expensing deduction by amount of section 41 R&D credit (effective for taxable years beginning after December 31, 1988).....	--	136	277	124	537
3.	Adopt Treasury Reg. sec. 1.861-8 compromise with gross sales cap (effective 1987 through 1990) and allocate 64% of foreign-conducted research to foreign sources (effective for taxable years beginning after June 21, 1988).....	-349	-540	-597	-248	-1,735
E.	Extend targeted jobs tax credit through 1990 with new program targeting.....	--	-47	-130	-138	-315
F.	Adopt permanent exemption of publicly-offered regulated investment companies from 2% floor on miscellaneous itemized deductions.....	-38	-262	-314	-377	-991
G.	Adopt permanent modification of diesel fuel excise tax collection and exemption procedures for off-highway business users (effective July 1, 1988).....	-84	-232	-61	-62	-439
Subtotals: EXTENSIONS		-559	-1,673	-2,147	-1,595	-5,975

VI. ADDITIONAL PROPOSALS

A.	Individual					
1.	Athletic tickets--80% charitable contributions deduction.....	(2)	(2)	(2)	(2)	(3)
2.	Rural letter carriers--mileage deduction.....	-1	-3	-3	-3	-10
3.	Rollover of gain on a principal residence when one spouse dies.....	(2)	-8	-9	-10	-27
4.	Deductibility of business meals--oil rig workers and U.S. ocean-going and inland waterway vessels.....	--	-11	-11	-12	-34
5.	Expand innocent spouse relief for former spouses with small net worth.....	(5)	(5)	(5)	(5)	(3)
6.	Christa McAuliffe Federal Government fellowship grants excludable where money spent for grant purposes (through 1990).....	(2)	(2)	(2)	(2)	(3)
7.	Air cargo passenger seats--no-additional-cost fringe benefit..	-1	-2	-2	-2	-7
B.	Corporate					
1.	Woods Investment effective date--clarify weekends and holidays excluded.....	(5)	(5)	(5)	(5)	(3)
2.	Regulatory authority to provide access to tax refunds to statutory or court-appointed fiduciary of insolvent members of consolidated tax return.....	(2)	(2)	(2)	(2)	(3)
C.	Minimum Tax					
1.	Exclude bankruptcy/insolvency debt restructuring from book preference.....	(5)	(5)	(5)	(5)	(3)
2.	Exclude structured settlement arrangements from ACE.....	--	--	-5	-10	-15

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D. Accounting					
1. Uniform capitalization rules:					
a. Artists, writers, photographers (effective date of January 1, 1987).....	-33	-6	-2	-2	-43
b. Preproductive period expenses for livestock (effective date of January 1, 1989).....	--	-85	-194	-180	-459
c. Pistachio preproductive period expenses.....	-2	-1	-1	-1	-5
2. Allow one replugging to qualify for installment sales grandfather rule provided no additional money received in refinancing.....	-15	4	2	1	-8
3. Beneficial ownership of stock held in trust included in determining whether certain corporations may use the cash method of accounting.....	(2)	(2)	(2)	(2)	(3)
E. Financial Institutions					
1. Bank Holding Companies/Personal Holding Companies.....	--	-4	-9	-5	-18
F. Insurance					
1. Repeal of general creditor requirement under structured settlement rules.....	(6)	(6)	(6)	(6)	(3)
2. Treatment of certain workers' compensation funds--retroactive relief to January 1, 1987.....	--	-40	-30	--	-70
3. Church self-funded death benefit plans treated as life insurance.....	(6)	(6)	(6)	(6)	(3)
4. Prepaid tax certificates purchased by property and casualty insurers.....	--	--	--	--	--
G. Pensions					
1. Limitation on contributions and benefits under qualified plans of public employers.....	(2)	(2)	(2)	(2)	(3)
2. Exempt certain public pension plans from minimum participation rule.....	(2)	(2)	(2)	(2)	(3)
3. Age 70-1/2 required beginning date not extended to public employees.....	(2)	(2)	(2)	(2)	(3)
4. Section 401(k) plans available to employees of rural telephone coops.....	--	-2	-4	-5	-11
5. Employers entitled to rely on good-faith interpretation of section 403(b) nondiscrimination rules for 2 years.....	(6)	(6)	(6)	(6)	(3)
H. Foreign					
1. Suspend recapture of excess loss account in connection with certain dual resident company reorganizations.....	(4)	(4)	(4)	(4)	(3)
2. Codify absence of withholding requirement on nonresident alien's table game income.....	--	--	--	--	--
3. Shareholder-level qualified electing fund election for PFICs..	(4)	(4)	(4)	(4)	(3)
4. Extend foreign currency sourcing and characterization rules prospectively to financial instruments that are marked-to-market.....	--	--	--	--	--
5. Increase Netherlands Antilles debt-equity ratio.....	(7)	(7)	(7)	(7)	(3)
6. Foreign insurance branch treated as separate corporation (effective January 1, 1989).....	--	-3	-6	-7	-16
I. Tax-Exempt Bonds					
1. Clarification of definition of manufacturing for qualified small-issue bonds.....	-2	-6	-11	-12	-31
2. Miscellaneous clarifications: Extension of minimum period for calculating TRAN safe harbor compliance; clarification of Treasury Department arbitrage rebate regulatory authority; arbitrage rebate exemption for certain debt service funds and expanded for governmental bonds.....	(8)	(8)	(8)	(8)	(3)
3. Expand volunteer fire company bond authority.....	(2)	(5)	(5)	(5)	(3)

	1988	1989	1990	1991	1988-91
J. Low-income housing credit:					
1. Disregard certain local government zoning "exactions" on credit qualifications.....	(6)	(6)	(6)	(6)	(3)
2. No rent adjustment required for certain reductions in family size.....	--	-3	-3	-3	-9
3. Remove 50% limit on corporate interest in partnership qualifying for special recapture rule.....	--	-4	-9	-9	-22
K. Estate and Gift					
1. Special use valuation--available notwithstanding receipt of cash rental by surviving spouse.....	(6)	(6)	(6)	(6)	(3)
2. Involuntary disposition of ESOP stock acquired from estate claiming special estate tax deduction.....	(9)	(9)	(9)	(9)	(3)
L. Compliance					
1. Permit information sharing with cities above 250,000.....	(6)	(6)	(6)	(6)	(3)
M. Excise Taxes					
1. Wine tolerance--permit de minimis tolerances in determination of wine tax.....	(2)	(2)	(2)	(2)	(3)
2. Allow wholesalers to claim gas tax refunds for certain exempt users.....	--	-5	(6)	(6)	-5
3. Exempt donated cargo from harbor maintenance tax.....	(2)	(2)	(2)	(2)	(3)
4. Provide retail truck tax inapplicable where exemption benefits United States Government.....	-2	(2)	(2)	(2)	-2
5. Allow quarterly payment of archery excise tax.....	(2)	-2	(2)	(2)	-2
N. Miscellaneous					
1. Eliminate limitation on Treasury long-term bond authority.....	--	--	--	--	--
2. Discharge of indebtedness income of mutual or cooperative telephone, water, or electric companies excluded in determining tax-exempt status (1988 and 1989 only).....	--	-17	-17	-17	-51
3. Extend placed-in-service date for nonconventional fuels credit through December 31, 1990.....	--	--	-3	-3	-6
4. Determination of operating foundation status for certain purposes.....	-1	(2)	(2)	(2)	-1
O. Items Requiring Only Report Language (no statutory change)					
1. Exclude bankruptcy/insolvency stock for debt swap (ACE).....	(2)	(2)	(2)	(2)	(3)
2. Tax exemption of organizations providing supplemental HM0-type services under section 501(m).....	(6)	(6)	(6)	(6)	(3)
3. Early withdrawal tax inapplicable to annuity even if accompanied by lump sum.....	--	--	--	--	--
4. Tip reporting--require observance of 1986 Act provisions.....	--	--	--	--	--
P. Mandated Studies					
1. Investment-oriented life insurance and annuity products.....	--	--	--	--	--
2. Cigarette excise tax.....	--	--	--	--	--
3. Dividend received deduction.....	--	--	--	--	--
4. Section 457.....	--	--	--	--	--
Subtotals: ADDITIONAL PROPOSALS.....	-57	-198	-317	-280	-852

